

NN (L)

Société d'Investissement à Capital Variable
3, rue Jean Piret – L-2350 Luxembourg
R.C.S. n° B 44.873
(the “Company”)

NOTICE TO SHAREHOLDERS

The board of directors of the Company (the “Board”) would like to inform the shareholders of certain amendments to be made to the prospectus of the Company (the “Prospectus”), mainly consisting in the following:

1. With respect to the sub-fund “**NN (L) Frontier Markets Debt (Hard Currency)**”, replacement of the current benchmark “JP Morgan Next Generation Markets Index” (NEXGEM), by the index “JPM Next Generation Markets ex Argentina USD Index” (NGEMNOAR) as from 17 March 2016.
2. With respect to the sub-fund “**NN (L) Global Bond Opportunities**”, as from 17 March 2016 increase of the expected levels of leverage up to 1,000% (by commitment) and 1,500% (by sum of notionals) and consequent insertion of an additional section “Definitions and considerations related to leverage”, within the sub-fund factsheet, which shall read as follows:
“The Management Company monitors the level of leverage emanating from the usage of financial derivative instruments. In accordance with regulations, such leverage is obtained by summing the notionals of the derivatives used (hereafter “gross leverage”) without taking into account any netting and hedging arrangements. For the avoidance of doubt, this means that derivatives referring to the same underlying asset, whose net exposure leaves no material residual risk for the Sub-Fund, will add to the gross leverage; similarly, a derivative used for hedging purposes will also be counted in the gross leverage. At the time of release of the current prospectus, the gross leverage is expected to reach a maximum level of 1,500% of the Sub-Fund’s Net Asset Value.
Investors must be aware that the Sub-Fund makes extensive use of derivatives, both for hedging and for taking active positions. Reasons for making extensive use of derivatives are described hereafter:
The investment strategy of the Sub-Fund is based on the philosophy that the risk/return profile should not depend on a small number of views or positions. Consequently, the Sub-Fund will typically take many, relatively small, uncorrelated positions rather than a few large positions;
Due to the investment philosophy, the Sub-Fund typically takes many so-called “relative value trades”. These positions express views on the difference between various interest rates, currencies or credit spreads rather than expressing views on “outright directional positions”. Relative value trades have “long” and “short” legs, meaning the amount of derivatives used at least double the amount used for outright directional positions.
Investors must also be aware that the gross leverage, while providing an indication of the amount of derivatives used relative to the Sub-Fund’s Net Asset Value, may however lead to results that are not representative of the economic exposure of the Sub-Fund. By summing the notionals of the derivatives, used without taking into account any netting and hedging arrangements, the ratio may fail to capture the risk associated with the use of derivatives.
For additional information on leverage, please refer to the Part III, Chapter IV of the prospectus.”
The sections “Investment objective and policy” and “Risk profile of the Sub-Fund” have been adjusted accordingly so as to ensure consistency with the newly inserted section.
3. With respect to the sub-funds “**NN (L) Asia Income**”, “**NN (L) Emerging Markets High Dividend**”, “**NN (L) Global High Dividend**”, “**NN (L) Global Equity Opportunities**”, “**NN (L) Greater China Equity**”, “**NN (L) Emerging Markets Equity Opportunities**”, insertion of the possibility to invest in China A Shares issued by companies incorporated in the Public Republic of China (“PRC”) via the Shanghai – Hong Kong Stock Connect programme as from 17 March 2016. For this purpose, adequate amendments have been made in the Glossary, in Part III “Additional Information”, Chapter II “Risks linked to the investment universe: detailed description” so as to describe the risks triggered by such investments, and in section “Investment objective and policy” of the relevant sub-funds factsheets so as to include the following paragraph:
“The Sub-Fund may invest up to 20% of its net assets in China A-Shares issued by companies incorporated in the PRC via Stock Connect. The Sub-Fund may therefore be subject to PRC risks, including but not limited to, geographical concentration risk, risk of change in PRC political, social or economic policy, liquidity and volatility risk, RMB currency risk and risks relating to PRC taxation. The Sub-Fund is also subject to specific risks applicable to investing via Stock Connect such as quota limitations, suspension in trading, price fluctuations in China A-Shares when in particular Stock Connect is not trading but PRC market is open, and operational risk. Stock Connect is relatively new, hence some regulations are untested and subject to change, which may adversely affect the Sub-Fund. The risks associated to investments in A-Shares are detailed in Part III, Chapter II: “Risks linked to the investment universe: detailed description””.

4. With respect to the sub-fund "**NN (L) Euro Credit**", share split of I Cap EUR share-class, ISIN Code LU0555026250 (the "Shares") by applying a split factor of 1,000 (the "Factor") as of 25 February 2016. As a consequence, the net asset value of the Shares will be divided by the Factor and the number of the Shares held by each investor will be multiplied by the same Factor. The total value of the Shares held by each investor after the split will remain the same. Shareholders are encouraged to seek advice of a tax expert in their respective countries regarding the potential taxation impact resulting from the Share split. A Q&A document is available upon request at fundinfo@nnip.com or on www.nnip.com.

Shareholders who disagree with the changes under 1., 2. and 3. above may redeem their shares free of charge (excluding contingent deferred sales charges which may be deducted on FIFO basis) until 16 March 2016 by submitting a redemption request to the Company in accordance with the procedures set out in the Prospectus.

The above changes will be reflected in the new version of the Prospectus to be dated February 2016. The Prospectus and the Key Investor Information Documents will be available upon request free of charge at the registered office of the Company.

The board of directors of the Company

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